

# Instructions for Maintenance Reserve Report

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**Department of Planning and Budget**

**September 2019**

# MAINTENANCE RESERVE ANNUAL REPORT

**DATE DUE: October 4, 2019**

## Background

The maintenance reserve (MR) implementation process requires agencies to report annually on MR projects for which expenditures were made in the previous fiscal year. Expenditures for MR projects are limited to projects that meet one or more of the following criteria:

- Repair or replacement of functionally obsolete, damaged, or inoperable built-in equipment such as elevators, furnaces, plumbing fixtures, air conditioning, and ventilation;
- Repair or replacement of components of a plant, such as exterior wood, masonry, ceilings, floors, floor coverings, doors, windows, roofs, sidewalks, parking lots, fencing, and exterior lighting;
- Repair or replacement of existing utility systems, such as steam lines, natural gas, air, electrical, water, and sewer;
- Correction of problems resulting from erosion and drainage;
- Work related to handicapped access, energy conservation, building and safety codes compliance, safety and security, lead paint abatement, or asbestos correction; and/or
- Activities specifically authorized in the Appropriation Act.

Note that MR funding **cannot** be used for planning only or system/facility assessment associated with identifying maintenance reserve projects. Furthermore, MR appropriations were limited in FY 2019 to projects estimated to cost more than \$25,000, and no more than \$2.0 million for non-replacement projects and no more than \$4.0 million for roof replacement projects. However, the Department of Planning and Budget (DPB) was authorized to grant exceptions to these dollar limits.

Agencies must submit their annual MR reports in DPB's Performance Budgeting (PB) System. These reports will provide information that will enable DPB and agencies to track expenditures on MR as a whole and on individual projects over time.

Agencies are required to submit a statement certifying that all MR expenditures were made on projects that met the MR criteria along with their PB report submissions. The statement must be signed by the agency head or deputy to whom the director of capital or architectural/engineering department, or the equivalent thereof, reports.

The deadline for the submission of the completed spreadsheet and certification is October 4, 2019. The certification statement is posted on DPB's website and should be e-mailed to [capitalbudget@dpb.virginia.gov](mailto:capitalbudget@dpb.virginia.gov), with a copy to your DPB analyst.

## Instructions for Reporting MR Expenditures in PB

Any project for which any MR expenditure was made in FY 2019, including nongeneral fund expenditures, should be included in the PB submission.

### Getting to the Module

1. In the PB work tray, mouse over the “Capital Budget” tab in the top line.
2. From the drop down list, choose “MR Annual Report”.
3. Enter or select your agency code and hit “enter”.
4. For “Reporting Year”, select FY2019 (should be the default).

### Completing the Report

#### *Existing projects*

The system will auto-populate a list of MR projects for which the agency previously reported expenditures in the PB dataset which had not previously been marked as completed in the system. For each of these projects, use the following guidelines for data entry:

1. Total cost—This is the agency’s estimate of the total cost of the project. If your estimate has changed, make the appropriate change in this field.
2. FY 2019 expenditures—Enter the total FY 2019 expenditures in the appropriate column: FY 2019 GF, FY 2019 tax supported debt, or FY 2019 NGF. If there were no expenditures, enter “0”.

#### *What if expenditure amounts reported in prior years were inaccurate?*

Occasionally, in compiling data for this report, agencies discover that they did not accurately report prior years’ expenditures. For example, you may discover that the total FY 2018 expenditures that you reported for a project last year did not include all actual expenditures. In such cases, include unreported prior-year expenditures in the FY 2019 expenditure total. This will allow the auto-calculated total life-to-date expenditure numbers to be accurate, although the FY 2019 expenditure will be overstated. In the “comment” field for the project, explain the circumstances and the breakdown between actual FY 2019 expenditures and any prior-year adjustments necessary.

3. Life-to-date columns (auto-calculated)—Make no entry or change in these columns; PB will recalculate these amounts, taking into account the FY 2019 amounts entered. (The updated amount will appear after the “submit” function has been used.)
4. Complete?—If the project was completed in FY 2019 or no expenditures will be made in the future, click the check box in this column.

Note: If the project was completed, the total of the life-to-date columns and the amount in the Total Cost field should be the same. Also, be certain of the project's status before marking it "complete". If a project is marked as complete, it will not show up on the next year's annual report's initial listing, and if it turns out that it was not in fact complete and expenditures were made in the subsequent year, additional administrative steps must be taken to record those expenditures on the subsequent annual report.

5. Comment—Use to communicate any additional information regarding the project and its expenditures, such as corrections needed to true-up life-to-date expenditures due to inaccuracies in prior-year reported expenditures or to identify projects for which DPB granted an exception to minimum or maximum MR expenditure limits.

### *Existing projects not shown in PB list*

If an agency had a previously validated MR project for which no expenditures were made in FY 2014 (the starting point of the PB dataset) or subsequent fiscal years, it will not appear in the pre-populated list. If you have such a project and made expenditures in FY 2019, contact your DPB analyst and provide the following details: name of project, facility, infrastructure element, total cost, and life-to-date cost prior to FY 2019 by fund category (GF, tax-supported debt, NGF). DPB will then load the project into PB and you can then enter FY 2019 expenditure data.

### *New projects*

If your agency made expenditures on a new MR project for which expenditures had not been made prior to FY 2019, follow the steps below:

- Click on "Add" at the bottom of the MR Annual Report work area.
- A blank row should appear at the bottom of the existing entries. In that row, enter the following information for each project:
  1. Project title (read-only)—leave this field blank. PB will automatically create this from the project name and project code generated for this field.
  2. Project Title Name—Put in the title of the project, starting with a verb. This is the title that PB will use to create the combination code/title that will go in the first field.
  3. Facility—This is the same field that is used for capital budget requests and CO forms and is used to identify the specific agency operating unit or campus for which the project is intended. Click on the  icon and select the appropriate facility.

4. Infrastructure element—This field is identical to the one used by the Division of Engineering and Buildings (DEB), formerly known as BCOM, in capital outlay forms and is used to help categorize the type of project for which expenditures have been made. Select the appropriate element from the drop-down list.
5. Total cost—The agency estimate of the total cost of the project.
6. FY 2019 expenditures—Show the total FY 2019 expenditures in the appropriate column: FY 2019 GF, FY 2019 tax supported debt, or FY 2019 NGF.
7. Life-to-date columns (auto-calculated)—Make no entry or change in these columns; PB will recalculate these amounts, taking into account the FY 2019 amounts entered. (The updated amount will appear after the “submit” function has been used.)
8. Complete?—If the project was completed in FY 2019, click the check box in this column. Note: If the project was completed, the total of the life-to-date columns and the amount in the Total Cost field should be the same.
9. Comment—Use to communicate any additional information regarding the project and its expenditures, such as indicating projects for which an exception to minimum or maximum MR expenditure limits was granted by DPB.

When all entries have been made and the agency staff is satisfied with their completeness and accuracy, under “Submit”, select “Submit for DPB Review”.

If you have any questions, please contact your DPB analyst.